

# HURRICANE MITCH RECONSTRUCTION UPDATE



## USAID/Nicaragua Hurricane Mitch Reconstruction Program

(U.S. Millions of Dollars)	
<b>Public Health</b>	<b>30.1</b>
<b>Economic Reactivation</b>	<b>59.1</b>
<b>Education</b>	<b>4.5</b>
<b>Municipal Infrastructure</b>	<b>4.4</b>
<b>Transparency and Accountability</b>	<b>1.0</b>
<b>Food Aid</b>	<b>4.5</b>



Departments of Nicaragua  
Affected by Hurricane Mitch

## ORGANIC COFFEE GROWERS PROFIT AND PROTECT THE ENVIRONMENT

**Molino Norte, Nicaragua**—When coffee farmer Leslie Reyes became concerned about the environment and started using organic methods, many coffee growers laughed at him. But three years later while regular coffee prices plummeted to about \$42 the hundred-weight, Reyes is getting \$172 a hundred-weight for his organic coffee. No one is laughing anymore.

“Now everyone wants to get in on growing organic coffee,” said Reyes, president of the Organic Coffee Producers Association of Matagalpa.

The group of 292 coffee farmers is receiving technical assistance and training under a USAID-financed project, implemented by the Cooperative League of the United States of America (CLUSA), in the production, marketing and certification of organic coffee. The farmers are now using natural pest and disease controls and are producing compost fertilizers and practicing soil conservation methods.



The coffee produced by the Organic Coffee Growers Association has been certified and exported under the Taylor's of Harrogate label “Feel Good Organic”.



Organic coffee is grown in the shade using natural pest controls and compost. While the price for conventional coffee has dropped, organic coffee prices have increased, benefiting many small producers.

The organic coffee project is part of USAID's \$157.1 million regular, on-going, sustainable development program. USAID earmarked \$47 million from the regular program budget, for a time period from 1998 through 2003, to help Nicaragua's small agricultural producers to diversify crops and increase yields through environmentally sound methods. CLUSA received \$5.5 million for a “Small Farmer Income and Employment Project” that aims to increase incomes of small and medium sized farmers by improving the quality of their production and by expanding market opportunities. The producers are not only learning improved and ecologically safe farming methods, but also business and marketing skills including how to certify the coffee as organic and to negotiate a sales contract.

(Continued on page 2)

## ORGANIC COFFEE GROWERS PROFIT...

(Continued from page 1)

In the northern department of Matagalpa, Nicaragua's major coffee producing area, there are now 419 hectares of farmland planted with organic coffee. Not only are these small and medium size organic coffee producers receiving top dollar for their coffee, they have also slashed their production costs.

At *La Ponderosa* coffee farm, owner Arturo Jaén learned, through the USAID/CLUSA project, how to make a compost, developed in Japan, called "*bocashi*" using chicken, cow, or sheep manure, coffee and rice residues, molasses and yeast. It costs Jaén about 53 cents the hundred-weight to make the compost compared to \$12 the hundred-weight for commercial chemical fertilizer. The organic coffee farmers paid about \$31 per hundred-weight in production costs compared to nearly \$59 the hundred-weight that conventional coffee growers paid in production costs this season.

"We use no chemicals on this farm," said Jaén. "Everything is organic. It's more work than with chemicals. Lazy farmers won't succeed, but the benefits from lower costs and higher sales prices are worth the effort."

In addition, the farming methods used by the organic growers proved to be a good defense against flooding and erosion. "We were less affected by Hurricane Mitch because we were already practicing soil conservation," said Jaén.

Sofia Sequeira, one of 38 women members of the Organic Coffee Growers Association, confirms that organic coffee growing changed her life. Sequeira emotionally recounts how three years ago she was in debt, having



Arturo Jaén makes his own organic fertilizer that costs 53 cents for 100 lbs. Chemical fertilizers would cost him \$12 per 100 lbs.

borrowed money to buy chemical fertilizers and pesticides. But for all her investment, her production levels were low and her husband became ill on two occasions from the toxic pesticides.

With the help of USAID and CLUSA Sequeira learned organic techniques and how to increase her yields. Sequeira now exports certified organic coffee. She has paid

off her debts and reinvested her earnings into improving and expanding her coffee farm *La Chicolata*.

In a halting voice Sequeira said, "I built a new home and I bought a pickup truck. These were things I could only dream about before."

However, along with the economic benefits, the members of the organic coffee growers association are very much aware that the methods they use are also helping the environment.

Said association president Reyes: "There exists a high ecological spirit in our group. This is a beautiful country and we need to protect it so that our children and future generations will have a chance to appreciate it."



Through careful processing techniques, including sun drying, the *Esperanza* dry coffee mill in Matagalpa protects the quality of organically grown coffee.

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*La Ponderosa  
Coffee Farm  
Owner,  
Arturo Jaén*



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